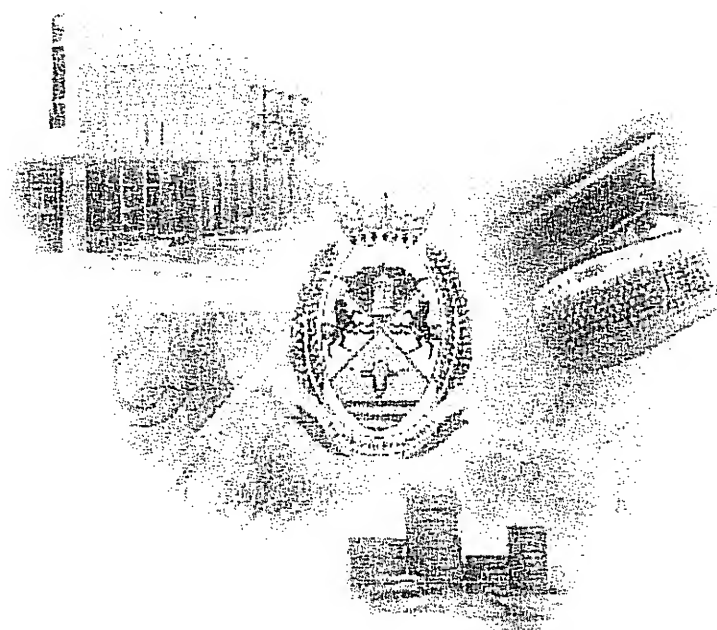


ENDUMENI MUNICIPALITY



Financial Statements
2007 / 2008

GENERAL INFORMATION

Municipality Grade 3

Speaker:

Cllr D. Singh

Enco

MAYOR : Cllr WN Mbattha (Ms)
DEPUTY MAYOR : Cllr AM Raubenheimer

Councillors

SE Ndimba	PM Bisram	JA Tshabalala (Ms)
AM Mthembu	TB Mkhize	PG Mabilisa
RT Nukani (Ms)	DP Nkosi (Ms)	Vacant

Auditors

Auditor-General

Bankers

First National Bank

Registered Office

Civic Centre
Victoria Street
Private Bag 2024
Dundee; 3000

Telephone Number : 034 – 2122121
Fax Number : 034 – 2122192

Municipal Manager

DB Cebekhulu

Chief Financial Officer

I Grisdale



MEMBERS OF THE ENDUMENI MUNICIPAL COUNCIL

Ward

Councillor

1	PM Bislam	ANC
2	SE Ndim	ANC
3	Vacant	
4	RT Nukani	ANC
5	AM Mthembu	ANC
6	TB Mkhize	IFP

Proportional

1	PG Mabilisa	IFP
2	WN Mbatha	IFP
3	DP Nkosi	DA
4	AM Raubenheimer	DA
5	D Singh	IFP
6	JA Tshabalala	IFP



INDEX

1.	Approval of Financial Statements	1
2.	Foreword	2
3.	Chief Financial Officer's Report	3 - 4
4.	Accounting Policies	5 - 8
5.	Balance Sheet	9
6.	Income Statement	10
7.	Cash Flow Statement	11
8.	Notes to the Financial Statements	12 - 17
9.	APPENDIXES	
A	Accumulated Funds, Reserves, Trust Funds and Provisions	18
B	External Loans & Internal Advances	19
C	Analysis of Fixed Assets	20 - 21
D	Analysis of Operating Income & Expenditure	22
E	Detailed Income Statement	23
F	Statistical Information	24

APPROVAL OF FINANCIAL STATEMENTS

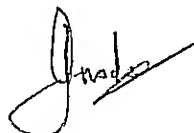
The un-audited Annual Financial Statements for the financial year ended 30 June 2008 were approved by the Municipal Manager and the Chief Financial Officer on the 10th of November 2008.

It is hereby certified that the salaries, allowances and benefits of Councillors as disclosed in note 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution read with the Remuneration of Public Officers Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.



B.D. Cebekhulu

MUNICIPAL MANAGER
BA (Unisa) Public Administration
Municipal Government and Administration
Chief Executive Certificate
(University of Durban Westville)
Diploma for Health Inspectors



J. Grisdale

CHIEF FINANCIAL OFFICER
B Comm
A.I.M.F.O
Registered Municipal
Accountant



FOREWORD

The books of Endumeni Municipality closed off with a surplus of R5,777.94 as against a budgeted surplus of R5,920.00.

During the year under review the following projects were undertaken:

- Conversion of Sibongile / Sithembile Hostels into family units
- Allocation of R19,167,371 for Housing Projects
- Upgrade of Municipal Roads
- Upgrade of Electrical Network
- Endumeni Aids Projects
- Refinement of the Financial Plan
- Review of the Integrated Development Plan
- Compilation of the SDBIP
- Refinement of a Comprehensive Organisational Performance Management System
- Development of the Gender Equality and Poverty Reduction Strategy

The collection of outstanding debts remained a problem and service debtors grew in 2007/2008. The outsourced debt collection resulted in R1,503,642 of debt being recovered during the year. It is anticipated that the debt situation should improve in the new year.

All Councillors are requested to actively encourage consumers, not on the indigent list, to pay for the services rendered to them.

WV Mbatha (Ms)

MAYOR

ENDUMENI MUNICIPALITY



REPORT FROM THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

I am pleased to present a concise overview of the past financial year's operating results. The books closed with an overall surplus of R 5 777.94 as against the budgeted surplus of R 5 920.00

2. OPERATING RESULTS

Details regarding the operating results per department, classification and type of income or expenditure are given in appendix D and E. The relevant statistics are shown in appendix F. The overall operating results for the year were as follows :

	Actual 2007 R'ooo	Actual 2008 R'ooo	Variance %	Budget 2008 R'ooo	Variance %
Income					
Opening surplus	2,856	1,898	-33.56	1,898	0.00
Operating income for the year	86,518	93,600	8.19	95,725	-2.22
	<u>89,374</u>	<u>95,498</u>	6.85	<u>97,622</u>	-2.18
Expenditure					
Operating expenditure for the year	84,279	91,187	8.20	95,719	-4.73
Appropriations	3,197	42,690	1,235.22	2,386	1,689.20
Closing surplus	1,898	-38,380	-2,122.41	1,904	-2,116.12
	<u>89,374</u>	<u>95,498</u>	6.85	<u>100,008</u>	-4.51

3. Rate & General Services

	Actual 2007 R'ooo	Actual 2008 R'ooo	Variance %	Budget 2008 R'ooo	Variance %
Income	55,705	59,648	7.08	62,889	-5.15
Expenditure	55,160	58,426	5.92	65,507	-10.81
Deficit	<u>-545</u>	<u>-1,222</u>	124.18	<u>2,618</u>	-146.67
Deficit as % of total income	-0.63	-1.31		-2.74	

4. Housing Services

	Actual 2007 R'ooo	Actual 2008 R'ooo	Variance %	Budget 2008 R'ooo	Variance %
Income	695	614	-11.71	681	-9.85
Expenditure	854	494	-42.12	467	5.87
Surplus	<u>159</u>	<u>-119</u>	-174.89	<u>-214</u>	-44.19
Surplus as % of total income	-0.18	0.13		0.22	

5. Trading Services

	Actual 2007 R'ooo	Actual 2008 R'ooo	Variance %	Budget 2008 R'ooo	Variance %
Electricity					
Income	30,118	33,338	10.69	32,155	3.68
Expenditure	28,265	32,267	14.16	29,745	8.48
Surplus	<u>1,853</u>	<u>1,072</u>	-42.17	<u>2,410</u>	-55.54
Surplus as % of total income	2.14	1.14		-2.52	

6. Capital Expenditure

Capital expenditure for the year amounted to R 8 684 865.69 .

Improvements	6,113,234.52
Plant	<u>2,571,631.17</u>
	<u>8,684,865.69</u>

Funding of Capital Assets

CDF	2,460,193.00
Revenue	4,526,580.51
PIF	1,359,909.49
Grants	<u>338,182.69</u>
	<u>8,684,865.69</u>

Spending Services

Rates & General	6,587,504.39
Refuse	123,421.05
Electricity	<u>1,973,940.25</u>
	<u>8,684,865.69</u>

A complete analysis of capital expenditure per department, classification or service is included in appendix C. More details regarding external loans and internal advances used to finance fixed assets are shown in appendix B.

7. External loans, investments, and Cash

On the 30 th June 2008 the outstanding loans amounted to R 23 603 564.21 .
Annuity loans amounted to R 15 619 321.21 .
Loans outstanding on the 30 th June 2007 amounted to R 24 461 474.50 .
Investments at 30/06/2008 amounted to R 19 046 285.01 and cash on hand to R 11610.00 .
More information is available under notes 4 and 6 and appendix B.

8. Funds and Provisions

Notes 1 , 2 and 10 contain further information on Accumulated funds , reserves and provisions . These funds , reserves and provisions are not cashbacked an estimated cash shortfall of R 60 700 000.00 exists at date of balance sheet .
Drastic steps need to be taken to address this cash shortfall in both the short and medium terms .

9. Guarantees

The council has accepted liability for the amount of R 1 785 092.00 to cover the estimated consumption of electricity for three months in which case ESKOM would be a preferential creditor.

10. Prior Years adjustments

Prior year adjustments are in respect of items relating to the previous financial years such as valuation appeals reducing property rates income . Refer to note 16 in the financial statements .

11. Post Balance Sheet Events

Pending conversion to Generally Recognised Accounting Practice (GRAP) .
Transfer of electricity services to Regional Electricity Distributor (REDS) .

12. Projects

Incomplete projects have been treated as debtors and creditors. Where necessary these will be capitalised upon completion .

13. Expression of appreciation

I would like to express my gratitude to the Mayor , Speaker , Councillors, Municipal Manager and heads of departments , members of the finance staff, and in particular members of the External Audit staff with which I have been associated , for their assistance and support during the past year.



L. Crisdale
Chief Financial Officer
27/10/2008

ACCOUNTING POLICIES

1. Basis of presentation

- 1.1 The annual financial statements have been prepared so as to conform with the standards laid down by the Institute of Municipal Financial Officers in the Code of Practice (1997) and Report of Published Annual Financial Statements (2nd edition), January 1996.
- 1.2 The municipality has taken advantage of the exemption made available in terms of paragraph 3(1)(b) of Notice 552 included in Government Gazette 30013 dated 29 June 2006 and has adhered to the exemption conditions spelt out in paragraph 3(2) of Notice 552.
- 1.3 The financial statements are prepared on the historical costs basis, adjusted for capital expenditure as more fully detailed in note 5 to the Financial Statements. The accounting policies are consistent with those applied in the previous financial year, except as otherwise indicated.
- 1.4 The financial statements are prepared on the accrual basis: Income is accrued when collectable and measurable. Certain direct income such as traffic fines and certain licenses are accrued when received. Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, the Trading Services and the various funds and provisions. All inter-departmental transactions are off-set against each other, with the exception of assessment rates, electricity and refuse which are treated as income and expenditure in the respective departments.

3. Fixed Assets

- 3.1. Fixed assets are stated at historical cost
- 3.2. Depreciation:
The balance shown against the heading "Loans redeemed & other capital receipts" in the notes to the balance sheet is tantamount to a provision for depreciation. Apart from advances from the various Council funds assets may also be acquired through:
 - Appropriations from income, where the full cost of the asset forms an immediate and direct charge against operational income and therefore it is unnecessary to make any further provision for depreciation.
 - Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.
- 3.3. The net proceeds from the sale of fixed assets, other than immovable property, are credited to the Capital Development Fund. The net proceeds of immovable property are credited to the Public Improvement

Fund in terms of Section 103(3)(a)(i) of the KwaZulu-Natal Ordinance, 25 of 1974

- 3.4. Capital assets are financed from different sources, including external loans operational income and internal advances. These loans and advances are repaid within the estimated useful lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the appropriate rate applicable at the time the advance is made.

4. Stock

Stock is valued at the lower of cost, determined on the average basis which approximates the First-In First-Out basis, and net realisable value.

5. Funds

5.1. Capital development fund

Section 103 of the Local Authorities Ordinance 1974 (no 25 of 1974) stipulates that the Council shall administer a capital development fund into which it shall pay not less than 3% of the annual revenue accruing to the borough fund and the relevant trading fund.

5.2. Public Improvement Fund

The Council operates a Public Improvement Fund which is used for the purchase of land and development thereof. The proceeds of the sale of immovable property are credited to this fund. Advances are also made to borrowing Funds for capital work at market related interest rates (section 103 of the Local Authority Ordinance 1974 [No 25 of 1974] has reference).

5.3. Loan Redemption Fund

Contributions are made to the loan redemption fund on an annual basis in respect of fixed period external loans taken up. The amount of the contribution is determined on a straight line basis over the period of the loan. No interest is paid to the redemption fund. Interest earned is credited directly to income.

5.4. Depreciation & Renewals Fund

This fund is not active. In fact it has not been used in the past 15 years. This reserve will be transferred appropriately with the introduction of GRAP.

5.5. Covenant Bursary Fund

This is to be renamed "Endumeni Staff Study Loan Scheme" and to be utilised in accordance with the scheme adopted by Council.



6. Retirement benefits

The municipality provides retirement benefits for its employees and councillors. Councillors have the option of being members of the Municipal Councillors Pension Fund. Contributions are made to the Natal Joint Municipal Pension Fund to fund the obligations for the payment of retirement benefits in accordance with the rules of the three defined benefit funds it administers.

Contributions are recognised as an expense in the Income Statement in the year that they become payable.

The funds are actuarially valued every three years using the discounted cash flow method. Any deficits identified by the actuary are recovered from participating municipalities in the form of surcharges added to the contributions which are recognised as an expense in the Income Statement in the year that they become payable.

7. Treatment of Administrative Costs and Handling Fees

- 7.1 The cost of internal support services and overhead costs are debited to the respective services making use of them on a percentage basis in accordance with the guidelines laid down by the Institute of Municipal Accounting Officers.
- 7.2 A handling fee of 5% of the monetary value, up to R5,000.00, is applied in respect of stores and creditor transactions to the various operating departments utilising these services.

8. Investments

Investments are shown at the original cost and are invested as prescribed in section 125 of Ordinance 25 of 1974.

9. Income recognition

9.1. Electricity billings

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are billed at an average consumption. Income is recognised at the date meters are read and levies made.

9.2. Assessment rates

Revenue from assessment rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts have been raised and are legally enforceable. Penalty interest is raised on unpaid rates after the due date for payment and is recognised on a time proportion basis.

All rebates are conditional on the rates being paid by the due date.



10. Surplusses Realised

Surplusses realised are retained in the Appropriation Account of the relative fund. Electricity surpluses are generally transferred to the appropriation account of Rate and General Services so as to subsidise this service.

11. Reserves & Provisions

Council currently has numerous reserves and provisions. With the introduction of Generally Recognised Accounting Practice the provisions and reserves which are not required will be transferred to the reserve for doubtful debts.

12. Unauthorised Expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Income Statement and where recovered, it is subsequently accounted for as revenue in the Income Statement.

13. Irregular Expenditure

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearer's Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Income Statement where recovered, it is subsequently accounted for as revenue in the Income Statement.

14. Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Income Statement and where recovered, it is subsequently accounted for as revenue in the Income Statement.

ENDUMENI MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2008

	NOTE	2007/2008 R	2006/2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		88,412,979	84,432,917
Accumulated funds	1	80,821,709	74,214,322
Reserves	2	7,591,270	10,218,595
(ACCUMULATED DEFICIT)/RETAINED SURPLUS	16	-38,379,740	1,897,724
TRUST FUNDS	3	95,665	113,503
LONGTERM LIABILITIES	4	22,114,567	22,670,932
		<u>72,243,471</u>	<u>109,115,076</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	5	44,056,386	44,229,908
INVESTMENTS	6	19,046,285	30,076,111
LONG TERM DEBTORS	7	2,243,871	2,334,331
NET CURRENT ASSETS		6,896,929	32,474,725
CURRENT ASSETS		91,998,353	110,307,225
Stock	8	3,587,512	3,038,958
Debtors	9	85,250,492	107,403,237
Cash	21	3,160,349	-134,971
CURRENT LIABILITIES		85,101,424	77,832,500
Provisions	10	646,984	622,764
Creditors	11	82,965,443	75,419,193
Loans: Short-term portion	4	1,488,997	1,790,542
Bank Overdraft			0
		<u>72,243,471</u>	<u>109,115,076</u>

INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2008

2006/2007 ACTUAL INCOME	2006/2007 ACTUAL EXPEND	2006/2007 ACTUAL SURPLUS/ (DEFICIT)		2007/2008 ACTUAL INCOME	2007/2008 ACTUAL EXPEND	2007/2008 ACTUAL SURPLUS/ (DEFICIT)	2007/2008 BUDGET SURPLUS/ (DEFICIT)
			RATE & GENERAL				
55,705,083	55,160,015	545,069	SERVICES	59,648,031	58,426,093	1,221,938	-1,180,323
43,861,102	38,349,492	5,511,610	COMMUNITY SERVICES	46,865,191	39,676,425	7,188,765	5,768,023
3,256,153	8,917,761	-5,661,608	SUBSIDISED SERVICES	3,526,515	9,290,221	-5,763,706	-6,058,619
8,587,828	7,892,762	695,066	ECONOMIC SERVICES	9,256,326	9,459,447	-203,122	-889,727
694,939	854,141	-159,202	HOUSING SERVICES	613,558	494,335	119,223	213,642
30,118,147	28,265,275	1,852,873	TRADING SERVICES	33,338,206	32,266,619	1,071,586	3,358,592
86,518,169	84,279,430	2,238,739	TOTAL	93,599,796	91,187,048	2,412,748	2,391,911
		-962,223	Appropriations *			-40,283,242	0
		-2,235,014	CDF Contributions			-2,406,970	-2,385,991
		3,726	Surplus\Deficit) for the year			5,778	5,920
		2,856,222	Surplus\Deficit)begining of year			1,897,724	1,897,724
			Unappropriated Surplus\Accumulated Deficit				
		1,897,724	at end of year			-38,379,740	1,903,644
		<u>1,897,724</u>	Surplus 30/06/2008			<u>-38,379,740</u>	<u>1,903,644</u>

* = Refer to appendices D & E for further detail

ENDUMENI MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		1,717,811	6,147,987
Cash generated by operations	17	(27,639,091)	7,948,135
Investment income		2,366,978	6,298,457
Decrease in working capital	18	29,150,442	(6,097,985)
External interest paid		3,878,329	8,148,606
		(3,053,991)	(3,115,570)
Cash available from operations		824,338	5,033,036
Cash contributions from the public and state		893,473	1,114,951
Net proceeds on disposal of fixed assets		-	-
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in Fixed Assets		(8,684,866)	(6,607,335)
NET CASH FLOW		<u>(6,967,055)</u>	<u>(459,348)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Decrease in long-term loans	19	(857,911)	(737,434)
Decrease in long-term debtors		90,460	-
Decrease in cash investments	20	11,029,826	(2,971,373)
Increase in cash on hand	21	(3,295,320)	4,168,154
Net cash (generated) / utilised		<u>6,967,055</u>	<u>459,348</u>

ENDUMENI MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

1. ACCUMULATED FUNDS	2007/2008	2006/2007
	R	R
Capital Development Fund	59,930,081	55,986,354
Housing Operating Account	4,074,642	2,279,592
Depreciation and renewals	1,285,741	1,285,741
Public Improvement Fund	10,093,601	9,489,312
Covenant Bursary Fund	44,103	42,981
Loan Redemption Fund	5,393,542	5,130,341
	<u>80,821,709</u>	<u>74,214,322</u>

Refer to appendix A for further detail

2. RESERVES	2007/2008	2006/2007
	R	R
Leave Reserve	2,347,310	982,648
Insurance Reserve	2,445,368	2,924,859
Maintenance Reserve	0	346,509
Rental Losses Reserve	0	939,874
Community Facilities	0	242,748
Reserve for Meters	860,397	712,969
Reserve for Trees	97,092	94,623
Reserve for Cattle	545,489	530,394
Reserve for Capital	38,456	38,456
Reserve col hall furniture	1,136	1,136
Reserve sib road maint	114,338	111,430
Reserve house develop	331,351	323,559
Reserve For Equitable Share	0	1,909,671
Reserve For Office Equipment	1,309	1,309
Reserve For Quarry Rehab	168,444	168,444
Reserve For Masakhane proj	24,245	23,628
Reserve For Vehicle Maint	112,769	112,769
Reserve For Tariff Stabilisation	503,568	753,568
	<u>7,591,270</u>	<u>10,218,595</u>

Refer to appendix A for further detail

3. TRUST FUNDS	2007/2008	2006/2007
	R	R
Museum Funds	95,665	113,503
	<u>95,665</u>	<u>113,503</u>

4. LONG TERM LIABILITIES	2007/2008	2006/2007
	R	R
Local registered stock	7,984,243	7,984,243
Annuity loans	15,619,321	16,477,232
	<u>23,603,564</u>	<u>24,461,475</u>
Less: Current portion transferred to Current liabilities	1,488,997	1,790,542
Local registered stock	<u>1,488,997</u>	<u>1,790,542</u>
	<u>22,114,567</u>	<u>22,670,932</u>

Refer to appendix B for further detail

***LOCAL REGISTERED STOCK**

Bear interest at rates from 9.00% to 16.90% per annum and are repayable over periods of between one and seven years.

***ANNUITY LOAN**

Bears interest at the rate of 5.00% per annum and will be fully redeemed in one year.

DBSA loan bears interest at 17.00% per annum and will be fully redeemed in ten years.

DBSA (Glencoe) loan bears interest at 15.97% per annum and will be fully redeemed in three years.

*None of the loans are secured by any assets of the Council.

ENDUMENI MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

5. FIXED ASSETS	2007/2008	2006/2007
	R	R
Fixed assets at the beginning of the year.	220,087,698	212,749,364
Capital expenditure during the year.	8,684,866	7,338,416
Less: Assets written off, transferred or disposed of during the year.	625,112	82
Total Fixed assets	228,147,451	220,087,698
Less: Loans redeem and other capital receipts.	184,091,065	175,857,789
Net Fixed assets	44,056,386	44,229,908

Refer to appendix C and section 6 of Chief Financial Officer's report.

6. INVESTMENTS	2007/2008	2006/2007
	R	R
Listed:		
Stock	4,084,243	4,084,243
Unlisted:		
Fixed deposits	0	0
Call deposits	14,962,042	25,991,868
	19,046,285	30,076,111

* Market value of the investments, and managements' valuation of unlisted investments.

Investments	4,084,243	4,084,243
Unlisted Investments	14,962,042	25,991,868

* Investments are made with prescribed institutions in pursuance of Council's policy, and section 125 of the Local Government Ordinance 1974, (No 25 of 1974).

* Investments are indicated on original value and no investments have been written off during the year.

7. LONG TERM DEBTORS	2007/2008	2006/2007
	R	R
Housing loans	1,551,984	1,631,964
Other	691,887	702,367
	2,243,871	2,334,331

8. STOCK	2007/2008	2006/2007
	R	R
Stock represents consumable stores	3,587,512	3,038,958
Where necessary specific provision is made for obsolete stock.		
	3,587,512	3,038,958

*The value of stock and materials is indicated at average unit cost.

9. DEBTORS	2007/2008	2006/2007
	R	R
Consumer debtors	79,506,755	67,311,201
Projects	57,423,308	51,640,864
Other	360,063	1,063,508
Less provision for bad debts	-52,039,633	-12,612,335
	85,250,492	107,403,237

*Irrecoverable debts are presented to council on a regular basis for writing off.

During the year a total of R 1 010 057 was written off, from the reserve for doubtful debts.

ENDUMENI MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

10. PROVISIONS	2007/2008	2006/2007
	R	R
Provision for Valuation Fees	234,445	230,012
Provision for Audit Fees	196,521	182,227
Provision for Town Planning	216,018	210,525
	<u>646,984</u>	<u>622,764</u>

11. CREDITORS	2007/2008	2006/2007
	R	R
Trade Creditors	18,156,198	15,068,651
Projects	62,459,948	58,176,681
Deposits:	2,349,297	2,173,861
- Electricity	<u>2,349,297</u>	<u>2,173,861</u>
- Other	<u>0</u>	<u>0</u>
	<u>82,965,443</u>	<u>75,419,193</u>

* Guarantees instead of deposit for electricity amounted to R109 150

12. ASSESSMENT RATES	Property Valuation at 1 July 2007	2007/2008 Income	2006/2007 Income
		R	R
Residential : Land	40,958,050	16,262,600	14,922,601
: Buildings	369,568,500		
Commercial : Land	18,267,950	7,930,454	7,486,497
: Buildings	133,059,400		
State : Land	8,022,200	3,693,419	3,433,090
: Buildings	74,758,700		
Municipal : Land	1,524,500	640,179	625,840
: Buildings	11,524,500		
	<u>657,683,800</u>	<u>28,526,651</u>	<u>26,468,028</u>

* We have three rating systems at present each with it's own valuations and tariffs.
Dundee and Wasbank rate on land and buildings whilst Glencoe only rates on land value.
All rebates are conditional on the rates being paid by the due date.

13. COUNCILLORS' REMUNERATION	2007/2008	2006/2007
	R	R
Mayor's Allowance	200,219	295,074
Deputy Mayor's Allowance	163,195	225,748
Chairman Exco	154,398	210,496
Speaker	162,339	238,569
Councillors' Allowances	895,554	693,686
Councillors' Pension Contributions	0	70,613
Travel Allowances	489,631	311,408
	<u>2,065,336</u>	<u>2,045,594</u>

The above salaries, allowances and benefits are within the upper limits of the framework envisaged in section 219 of the Constitution

14. AUDITORS' REMUNERATION	2007/2008	2006/2007
	R	R
Audit Fees	538,070	489,010
	<u>538,070</u>	<u>489,010</u>

ENDUMENI MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

15. FINANCE TRANSACTIONS	2007/2008	2006/2007
Total external interest earned or paid:		
- Interest earned	2,366,978	2,448,156
- Interest paid	3,053,991	3,115,570
	<u>5,420,969</u>	<u>5,563,726</u>
Capital charges debited to operating account:		
* Interest:	4,916,575	4,970,698
- External	3,053,991	3,115,570
- Internal	1,862,584	1,855,126
* Redemption:	3,243,349	3,243,243
- External	409,040	347,461
- Internal	2,834,309	2,895,781
* Deferred charges written off	0	0
	<u>13,580,894</u>	<u>13,777,665</u>

16. APPROPRIATIONS	2007/2008	2006/2007
	R	R
Appropriation account:		
Accumulated surplus at the beginning of the year	1,897,724	2,856,222
Operating (deficit)/surplus for the year	5,778	3,726
Appropriations for the year:	<u>-40,283,242</u>	<u>-962,223</u>
Adjustments expenditure current year	0	0
Adjustments income current year	0	0
Adjustments income previous years	-36,274	-550,496
Adjustments expenditure previous years	<u>-40,246,968</u>	<u>-411,728</u>
Accumulated surplus at the end of the year	<u>-38,379,740</u>	<u>1,897,724</u>
Operating account:		
Fixed Assets	4,526,581	4,485,488
Contribution to:		
Capital Development Fund	2,406,970	2,235,014
Reserve Rental Losses	7,552	7,553
Maintenance Reserve	35,359	32,751
Reserve Bad Debt	40,191,742	1,920,000
Provision for leave	1,340,000	630,000
Provision for audit fees	550,000	220,000
	<u>49,058,204</u>	<u>9,530,806</u>

17. CASH GENERATED BY OPERATIONS	2007/2008	2006/2007
	R	R
Operating surplus for the year	5,778	3,726
Adjustments in respect of previous years' operating transactions	-40,279,566	-962,223
Appropriations charged against income:	9,129,662	9,662,116
* Capital Development Fund	2,406,970	2,235,014
* Loan Redemption Fund	263,200	0
* Provisions and Reserves	0	2,941,614
Leave Reserve	1,340,000	0
Maintenance Reserve	35,359	0
Rental Losses Reserve	7,552	0
Audit Fees	550,000	0
* Fixed Assets	4,526,581	4,485,488
Capital Charges	8,159,924	8,213,939
* Interest paid:		
- to internal funds	1,862,584	1,855,126
- on external funds	3,053,991	3,115,570
* Redemption of:		
- internal advances	2,834,309	2,895,781
- external loans	409,040	347,461
* Deferred charges written off	0	0
Interest Earned	-2,366,978	
Other income credited to Provisions and Reserves	1,148,717	
Non - operating Expenditure		
Expenditure charged against Provisions and reserves	-3,436,628	
Insurance Reserve	-605,000	
Reserve For Equitable Share	-1,959,496	
Housing Operating Account	-18,228	
Museum	-57,712	
Provision for Valuation Fees	-258,122	
Provision for Audit Fees	-538,070	
	<u>-27,639,090</u>	<u>16,917,557</u>

ENDUMENI MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

18. (INCREASE)/ DECREASE IN WORKING	2007/2008	2006/2007
CAPITAL	R	R
(Increase)/ decrease in stock	-548,554	-765,592
(Increase)/ decrease in debtors	22,152,745	-17,025,802
(Increase)/ decrease in creditors	7,546,250	13,750,625
	<u>29,150,440</u>	<u>-4,040,768</u>

19. (INCREASE) DECREASE IN LONG-TERM	2007/2008	2006/2007
LOANS (EXTERNAL)	R	R
Loans Raised	0	0
Loans Repaid	857,910	737,434
	<u>857,910</u>	<u>737,434</u>

20. (INCREASE)/ DECREASE IN EXTERNAL	2007/2008	2006/2007
CASH INVESTMENTS	R	R
Investments Made	0	-2,971,373
Investments Realised	11,029,826	0
	<u>11,029,826</u>	<u>-2,971,373</u>

21. (INCREASE)/ DECREASE IN CASH	2007/2008	2006/2007
ON HAND.	R	R
Cash balance at the beginning of the year	-134,971	4,033,184
Less: Cash balance at end of the year.	3,160,349	-134,971
	<u>-3,295,319</u>	<u>4,168,154</u>

22. SENIOR MANAGERS REMUNERATION	2007/2008	2006/2007
	R	R
Municipal Manager	0	656,230
Chief Financial Officer	689,949	612,175
Manager Corporate Services	671,191	593,503
Manager Technical Services	686,533	593,503
	<u>2,047,673</u>	<u>2,455,411</u>

23. FINANCIAL INSTITUTIONAL DETAILS	2007/2008	2006/2007
	R	R
First National Bank Current Account	4,277,010	2,957,977
	<u>4,277,010</u>	<u>2,957,977</u>

24. SUMMARY OF INVESTMENTS

		2007/2008	2006/2007
		R	R
First National Bank	31 Day Account	0	6,000,000
Absa	Call Account	6,000,000	6,000,000
First National Bank	Ext 18	2,003	816,882
First National Bank	Finance Management Grant 3	339,121	0
First National Bank	Land Use Manage System	0	64,437
First National Bank	Sibongile Hostel	525,736	828,900
First National Bank	Sithembile Hostel	322,776	515,035
First National Bank	Develop of Property Val. Roll	12,630	30,019
First National Bank	Mun Finance Manage Act	1,251	12,438
First National Bank	Electrification Ext 18	1,655	1,513
First National Bank	Interdepartmental Monitor 1	7,647	66,176
First National Bank	Projects	2,074,413	2,263,079
First National Bank	43 Houses (Repairs)	57,290	59,514
First National Bank	Implement Property Rates Act	0	4,610
First National Bank	Capacity Building Hrd	0	18,544
First National Bank	Develop Plan Capacity Build	119,433	109,229
First National Bank	IDP Support	0	54,253
First National Bank	Devel Admin Capacity Build	0	22,964
First National Bank	Spatial Planning	59,763	54,253
First National Bank	GIS Devel Infra Serv Grant	0	12,056
First National Bank	Cleanest Town First Prize	132,608	151,268
First National Bank	Interdepartmental Monitor 2	46,982	42,951
First National Bank	Money Market	3,659,991	6,709,991
First National Bank	Money Market (Museum)	66,310	118,349
First National Bank	Finance Management	2,267	435,081
First National Bank	Devel Admin Cap Build	50,292	101,231
First National Bank	Devel Info System Grant	48,875	103,141
First National Bank	Unif Bill & Dev Val roll	45,840	157,993
First National Bank	IDP Review	0	38,533
First National Bank	PMS	0	157,433
First National Bank	Elec Bufferstrip	9,106	154,864
First National Bank	Sibongile Bufferstrip (HB)	78,825	22,430
First National Bank	Valuation Roll Grant	89,696	104,398
First National Bank	Sith Roads & Stormwater	3,938	2,817
First National Bank	Management Assist Program	86,142	194,956
First National Bank	Transfer & Buyback Centre	264,427	241,542
First National Bank	MIG Funding	0	165,568
First National Bank	LED Strategy	18,240	155,420
First National Bank	Msig	431,018	0
First National Bank	PMS 2	209,317	0
First National Bank	MIG Funding	100,000	0
First National Bank	Obso It Grant	9,605	0
First National Bank	Sibongile Library Internet	84,846	0
		14,962,042	25,991,868

25. CAPITAL COMMITMENTS

An amount of R 14 209 630.00 for the 2008/2009 capital budget was approved but not yet contracted for .

26. RETIREMENT BENEFITS

Employees and Councillors are members of the KwaZulu Natal Joint Municipal Pension Fund and the Municipal Councillors Pension Fund. The last actual valuation was on the 31 March 2005. For all member Councils a combined conditional liability of R 5 326 000.00 exists in respect of the umbrella Pension Fund for employees .

27. MATERIAL LOSSES IN ACCORDANCE WITH MUNICIPAL FINANCE MANAGEMENT ACT (56 OF 2003) SECTION 125 (D)

Wasteful expenditure to the amount of R 5 849.11 was incurred by a councillor , the full amount was recovered in December 2007 by deduction from his salary .

28. CONTINGENT LIABILITY

There is a contingent liability of R 2 990 000.00 relating to a dispute with the KwaZulu Natal Joint Municipal Pension Fund .

APPENDIX A

ACCUMULATED FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS

	Balance at 30/06/2007	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30/06/2008
	R	R	R	R	R	R
ACCUMULATED FUNDS						
Capital Development Fund	55,986,354	2,406,970	2,340,326	366,595	-1,170,163	59,930,081
Depreciation and Renewals	1,285,741					1,285,741
Public Improvement Fund	9,489,312		1,036,316	89,476	-521,503	10,093,601
Covenant Bursary Fund	42,981		1,121			44,103
Loan Redemption Fund	5,130,341	263,200				5,393,542
Housing Operating Account	2,279,592			1,813,278	-18,228	4,074,642
	74,214,322	2,670,170	3,377,763	2,269,349	-1,709,894	80,821,709
RESERVES						
Leave Reserve	982,648	1,340,000	24,661			2,347,310
Insurance Reserve	2,924,859		76,313	49,196	-605,000	2,445,368
Maintenance Reserve	346,509	35,359	2,139		-384,008	0
Rental Losses Reserve	939,874	7,552	18,554		-965,980	0
Community Facilities	242,748		4,450		-247,198	0
Reserve for Meters	712,969		18,602	128,826		860,397
Reserve for Trees	94,623		2,469			97,092
Reserve for Capital	38,456					38,456
Reserve col hall furniture	1,136					1,136
Reserve road maint	111,430		2,907			114,338
Reserve house develop	323,559		7,792			331,351
Reserve For Cattle	530,394		13,839	2,105	-849	545,489
Reserve For Equitable Share	1,909,671		49,826		-1,959,496	0
Reserve For Office Equipment	1,309					1,309
Reserve For Quarry Rehab	168,444					168,444
Reserve For Masakhane proj	23,628		616			24,245
Reserve For Vehicle Maint	112,769					112,769
Reserve For Tariff Stabilisation	753,568				-250,000	503,568
	10,218,595	1,382,912	222,168	180,127	-4,412,532	7,591,270
TRUST FUNDS						
Museum	113,503		0	39,874	-57,712	95,665
	113,503	0	0	39,874	-57,712	95,665
PROVISIONS						
Provision for Valuation Fees	230,012		6,001	256,553	-258,122	234,445
Provision for Bad Debts	12,612,335	40,191,742	245,613		-1,010,057	52,039,633
Provision for Audit Fees	182,227	550,000	2,364		-538,070	196,521
Provision for Town Planning	210,525		5,493			216,018
	13,235,100	40,741,742	259,471	256,553	-1,806,249	52,686,617
TOTAL	97,781,520	44,794,824	3,859,401	2,745,903	-7,986,386	141,195,262

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

				<u>Balance</u>	<u>Received</u>	<u>Redeemed</u>	<u>Balance</u>
				<u>30/06/2007</u>	<u>2007/2008</u>	<u>2007/2008</u>	<u>30/06/2008</u>
External Loans							
Local Registered Stock							
<u>Date</u>	<u>%</u>	<u>No</u>	<u>Redeemable</u>				
01/02/1981	10.00	665	30/06/2011	8,000.00			8,000.00
01/08/1983	10.00	719	30/06/2013	7,200.00			7,200.00
20/01/2000	16.90	878	30/06/2011	3,900,000.00			3,900,000.00
01/07/2007	14.75	714	30/06/2008	2,263,460.00		2,263,460.00	0.00
01/07/2007	10.00	715	30/06/2008	107,540.00		107,540.00	0.00
01/07/2007	10.50	716	30/06/2008	100,000.00		100,000.00	0.00
01/07/2007	13.65	717	30/06/2008	1,000,000.00		1,000,000.00	0.00
01/07/2007	12.00	718	30/06/2008	71,150.00		71,150.00	0.00
01/07/2007	10.00	719	30/06/2008	526,893.00		526,893.00	0.00
01/07/2008	14.75	720	30/06/2009	0.00	2,263,460.00		2,263,460.00
01/07/2008	10.00	721	30/06/2009	0.00	107,540.00		107,540.00
01/07/2008	10.50	722	30/06/2009	0.00	100,000.00		100,000.00
01/07/2008	13.65	723	30/06/2009	0.00	1,000,000.00		1,000,000.00
01/07/2008	12.00	724	30/06/2009	0.00	71,150.00		71,150.00
01/07/2008	10.00	725	30/06/2009	0.00	526,893.00		526,893.00
				<u>7,984,243.00</u>	<u>4,069,043.00</u>	<u>4,069,043.00</u>	<u>7,984,243.00</u>
Annuity Loans							
31/12/1994	5.00%	15	30/06/2009	124,333.76		60,632.59	63,701.17
30/09/1999	17.00%	18	31/03/2018	15,289,345.75		539,987.28	14,749,358.47
01/01/1998	15.97%	15	31/12/2010	1,063,551.99		257,290.42	806,261.57
				<u>24,461,474.50</u>	<u>4,069,043.00</u>	<u>4,926,953.29</u>	<u>23,603,564.21</u>
Internal Advances to Borrowing Services							
Public Improvement Fund				6,887,174.47	1,359,909.49	854,506.54	7,392,577.42
Capital Development Fund				10,678,878.98	2,460,193.00	2,281,207.65	10,857,864.33
Loan Redemption Fund				175,000.00	0.00	0.00	175,000.00
				<u>17,741,053.45</u>	<u>3,820,102.49</u>	<u>3,135,714.19</u>	<u>18,425,441.75</u>

APPENDIX C

ANALYSIS OF FIXED ASSETS

Actual 2006/2007	Service	Budget 2007/2008	Balance at 30/06/2007	Expenditure 2007/2008	Written off 2007/2008	Balance at 30/06/2008
5,093,728	RATE & GENERAL SERVICES	9,752,090	75,558,910	6,710,925	582,358.88	81,687,476
4,352,723	Community Service	7,764,760	50,516,785	5,263,488	51,093	55,729,180
15,281	Civil Defence	0	199,625	0	0	199,625
2,139	Clinic Empathe	28,985	17,785	0	0	17,785
16,573	Clinic Glenridge	26,290	28,953	0	0	28,953
2,381	Clinic Sibongile	28,640	91,949	0	0	91,949
2,623	Clinic Sithembile	28,640	43,656	0	0	43,656
0	Computer	0	3,383,997	258,325	0	3,642,322
15,427	Council General	441,200	2,713,945	444,817	0	3,158,761
0	Drains & Kerbs	240,000	4,342,549	240,000	0	4,582,549
0	Forrestdale Administration	0	160,095	0	0	160,095
0	Glencoe Administration	15,300	16,177	12,340	0	28,517
0	Health Administration	0	103,771	0	0	103,771
30,286	Library Dundee	4,500	981,244	3,847	0	985,091
16,237	Library Glencoe	1,150	44,201	530	0	44,731
7,676	Library Sibongile	4,500	136,681	3,847	0	140,528
0	Library McKenzie Street	0	45,744	0	0	45,744
0	Library Wasbank	0	3,662	0	0	3,662
8,561	Mechanical Workshop	45,225	289,471	12,121	0	301,591
0	Mechanical Yard Dundee	0	8,647	0	0	8,647
0	Municipal Manager	9,000	9,474	0	0	9,474
0	Peacevale Administration	0	493,723	0	0	493,723
4,029,500	Roads	6,296,000	34,084,467	4,102,618	0	38,187,085
0	Stores	5,400	80,567	8,090	0	88,657
0	Sibongile Administration	0	0	0	0	0
11,000	Town Engineer	54,600	879,677	84,744	51,093	913,328
18,874	Town Secretary	24,700	255,750	33,638	0	289,388
4,296	Town Treasurer	156,630	806,661	45,936	0	852,597
171,870	Traffic	354,000	1,294,313	12,636	0	1,306,948
741,005	Subsidised services	1,726,635	7,643,516	1,222,645	238,113	8,628,047
0	Aerodrome	0	86,762	0	0	86,762
0	Caravan Park	0	49,058	0	0	49,058
134,880	Cemetery Dundee	0	439,044	3,782	0	442,826
50,000	Cemetery Glencoe	0	148,978	0	0	148,978
0	Cemetery Sibongile	0	239,530	0	0	239,530
0	Cemetery Sithembile	0	8,700	0	0	8,700
0	Cemetery Wasbank	190,900	8,700	171,804	0	180,504
285,949	Civic Centre	287,300	1,445,653	70,313	0	1,515,966
0	Fire Brigade	0	424,792	0	238,113	186,678
65,059	Hassim Cassim Swimming Bath	13,300	262,234	7,466	0	269,699
0	Municipal Halls Glencoe	2,875	9,733	338	0	10,071
0	Municipal Halls Glenridge	9,200	10,000	6,892	0	16,892
8,696	Municipal Halls McKenzie Street	15,000	16,169	9,818	0	25,986
22,379	Municipal Halls Sibongile	10,500	24,621	4,496	0	29,117
0	Municipal Halls Sithembile	9,200	5,720	6,892	0	12,612
32,088	Municipal Halls Vwar Memorial	20,000	237,808	9,818	0	247,625
0	Museum	34,900	1,306,350	23,603	0	1,329,953
38,163	Parks & Gardens Dundee	1,012,160	1,729,972	847,900	0	2,577,872
32,289	Parks & Gardens Glencoe	0	32,289	0	0	32,289
0	Parks & Gardens Sibongile	0	177,906	45,647	0	223,553
64,371	Parks & Gardens Sithembile	100,000	83,760	0	0	83,760
4,949	Printing Section	8,000	10,714	6,414	0	17,128
0	Public Conveniences Dundee	0	31,728	0	0	31,728
2,180	Public Conveniences Wasbank	0	2,180	0	0	2,180
0	Sibongile Hostel	0	81,245	0	0	81,245
0	Sithembile White Hostel	0	75,645	0	0	75,645
0	Staff Housing	0	356,317	0	0	356,317
0	Street Cleaning	0	107,778	0	0	107,778
0	Swimming Bath Sibongile	13,300	15,643	7,466	0	23,109
0	Swimming Bath Union Street	0	8,486	0	0	8,486
0	Wasbank	0	206,000	0	0	206,000
0	Economic service	260,695	17,398,609	224,793	293,152	17,330,249
0	Commonage	0	268,404	0	3,000	265,404
0	Refuse Removal	248,605	2,167,429	214,034	290,152	2,091,310
0	Sewerage Services	0	14,731,693	0	0	14,731,693
0	Testing Grounds	12,090	231,083	10,759	0	241,842
0	Vehicle Licensing	0	0	0	0	0

APPENDIX C

ANALYSIS OF FIXED ASSETS						
Actual 2006/2007	Service	Budget 2007/2008	Balance at 30/06/2007	Expenditure 2007/2008	Written off 2007/2008	Balance at 30/06/2008
0	HOUSING SERVICES	0	6,586,034	0	0	6,586,034
0	Letting Schemes	0	983,111	0	0	983,111
0	Selling Schemes	0	5,602,924	0	0	5,602,924
2,244,688	TRADING SERVICES	3,500,000	31,861,336	1,973,940	0	33,835,276
0	Farming	0	0	0	0	0
2,244,688	Electricity	3,500,000	23,658,988	1,973,940	0	25,632,928
0	Water	0	8,202,348	0	0	8,202,348
0	TALANA	0	0	0	0	0
0	Assets	0	0	0	0	0
0	SIBONGILE SERVICES	0	42,958,511	0	0	42,958,511
0	Improvements	0	818,352	0	0	818,352
0	Land & Buildings	0	41,725,776	0	0	41,725,776
0	Plant & Equipment	0	191,239	0	0	191,239
0	Vehicles	0	223,145	0	0	223,145
0	PUBLIC IMPROVEMENT FUND	0	1,790,143	0	0	1,790,143
0	Land (Dundee)	0	964,832	0	0	964,832
0	Land (Glencoe)	0	825,311	0	0	825,311
0	GLENCOE SERVICES	0	60,311,383	0	42,753	50,268,629
0	Rate & General	0	53,514,465	0	42,753	53,471,712
0	Housing	0	2,013,598	0	0	2,013,598
0	Electricity	0	3,828,704	0	0	3,828,704
0	Water	0	954,615	0	0	954,615
0	RATE & GENERAL SERVICES	0	109,881	0	0	109,881
0	Assets written down or disposed of	0	84,995	0	0	84,995
0	Redundant Assets	0	0	0	0	0
0	Deferred Charges	0	24,886	0	0	24,886
0	HOUSING SERVICES	0	907,852	0	0	907,852
0	Deferred Charges	0	907,852	0	0	907,852
0	ELECTRICITY SERVICES	0	2,776	0	0	2,776
0	Assets written down or disposed of	0	2,776	0	0	2,776
0	WATER SERVICES	0	873	0	0	873
0	Assets written down or disposed of	0	873	0	0	873
7,338,416	TOTAL FIXED ASSETS	13,252,090	220,087,698	8,684,866	625,112	228,147,451
LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS			175,857,789	8,858,388	625,112	184,091,065
NET FIXED ASSETS			44,229,908	-173,522	0	44,056,386

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

Actual 2006/2007		Actual 2007/2008	Budget 2007/2008
	INCOME		
10,716,497	Government-and provincial grants and subsidies	12,676,491	13,728,000
26,206,855	Income from Rates	28,316,272	27,939,975
46,188,329	Income from tariffs, service, etc.	48,415,607	50,246,228
2,448,156	Interest earned	2,366,978	2,844,900
958,333	Other	1,824,447	965,495
86,518,169		93,599,796	95,724,598
	EXPENDITURE		
33,225,708	Salaries and allowances	37,025,062	39,410,615
32,533,805	General expenses	35,819,531	35,702,647
3,494,342	Repairs and maintenance	3,507,223	2,890,760
8,404,660	Capital charges	8,349,179	8,478,572
4,485,488	Contributions to fixed assets	4,526,581	4,707,955
5,176,628	Contributions	5,278,572	5,751,231
87,320,631	Gross Expenditure	94,506,149	96,941,780
-806,187	Less: Amounts charged out	-912,131	-1,223,102
86,514,444	Nett Expenditure	93,594,018	95,718,678

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2008.

2006/2007 ACTUAL INCOME	2006/2007 ACTUAL EXPEND	2006/2007 ACTUAL SURPLUS/ (DEFICIT)		2007/2008 ACTUAL INCOME	2007/2008 ACTUAL EXPEND	2007/2008 ACTUAL SURPLUS/ (DEFICIT)	2007/2008 BUDGET SURPLUS/ (DEFICIT)
55,705,083	55,160,015	545,069	RATE & GENERAL SERVICES	59,648,031	58,426,093	1,221,938	-1,180,323
43,861,102	38,349,492	5,511,610	COMMUNITY SERVICES	46,865,191	39,676,425	7,188,765	5,768,023
33,060,023	1,752,011	31,308,012	Assessment Rates	36,173,503	1,896,275	34,277,228	32,444,725
0	1,319,526	-1,319,526	Disaster Management and Fire	0	1,407,109	-1,407,109	-1,704,906
0	346,238	-346,238	Computer	0	539,326	-539,326	-488,263
3,834,953	4,770,093	-935,140	Council General	3,652,501	5,109,602	-1,457,101	998,913
0	162,775	-162,775	Grants-in-aid	0	102,437	-102,437	-245,000
2,477,910	2,506,811	-28,901	Health Department	2,976,444	3,025,502	-49,058	-86,541
1,956,094	1,956,260	9,834	Libraries	1,959,676	2,264,806	-305,130	-186,636
0	3,929,214	-3,929,214	Town Secretary	71	4,044,257	-4,044,186	-5,016,762
420,130	2,712,520	-2,292,389	Town Treasurer	811,774	2,289,596	-1,477,822	-2,224,345
36,934	2,397,595	-2,360,660	Town Engineer	47,226	2,871,480	-2,824,254	-2,941,101
0	814,464	-814,464	Mechanical Workshop	0	637,196	-637,196	-789,841
608,189	11,143,119	-10,534,931	Roads	134,355	10,727,828	-10,593,472	-10,900,953
0	416,558	-416,558	Drains & Kerbs	0	490,171	-490,171	-470,911
1,437,500	2,797,545	-1,360,046	Traffic	1,099,594	2,966,464	-1,866,871	-1,265,379
0	192,664	-192,664	Mechanical Yard	0	257,088	-257,088	-202,099
0	27,222	-27,222	Forrestdale Admin	0	29,427	-29,427	-31,328
18,382	949,888	-931,506	Sibongile, Glencoe & Wasbank Admin	9,387	851,249	-841,862	-873,338
987	154,989	-154,002	Peacevale Admin	660	166,614	-165,954	-248,212
3,256,153	8,917,761	-5,661,608	SUBSIDISED SERVICES	3,526,515	9,290,221	-5,763,706	-6,058,619
1,880	31,556	-29,675	Aerodrome	1,579	29,765	-28,186	-37,164
1,390,594	1,312,083	78,511	Cemeteries	1,777,876	1,565,963	211,913	257,326
8,123	411,465	-403,342	Municipal buildings	6,640	577,236	-570,596	-503,312
206,068	1,026,658	-820,590	Museum	189,423	1,217,224	-1,027,802	-977,713
651,839	1,849,418	-1,197,579	Municipal halls	30,551	1,377,093	-1,346,542	-1,412,485
2	3,405,288	-3,405,286	Parks & Gardens	529,242	3,660,155	-3,130,913	-3,144,665
0	10,989	-10,989	Swimming Bath Dundee & Glencoe	0	9,956	-9,956	-8,644
1,891	186,558	-184,666	Swimming Bath Sibongile	929	227,174	-226,244	-207,407
0	304,156	304,156	Stores	0	529,531	529,531	274,307
89,056	163,619	-74,563	Staff Housing	70,275	212,506	-142,231	-147,365
906,698	824,283	82,415	Street Cleaning	920,000	942,681	-22,681	-151,497
8,587,828	7,892,762	695,066	ECONOMIC SERVICES	9,256,326	9,459,447	-203,122	-889,727
648,904	527,109	121,795	Vehicle licencing	709,319	642,602	66,716	-34,740
1,403,437	1,500,234	-96,797	Testing grounds	1,564,000	1,973,932	-409,933	-535,979
6,160,510	5,863,785	296,725	Refuse removal	6,580,985	6,841,377	-260,392	-610,843
374,978	1,634	373,344	Commonage	402,023	1,536	400,487	291,835
694,939	854,141	-159,202	HOUSING SERVICES	613,558	494,335	119,223	213,642
694,939	854,141	-159,202	Economic housing	613,558	494,335	119,223	213,642
30,118,147	28,265,275	1,852,873	TRADING SERVICES	33,338,206	32,266,619	1,071,586	3,358,592
30,118,147	28,265,275	1,852,873	Electricity service	33,338,206	32,266,619	1,071,586	3,358,592
86,518,169	84,279,430	2,238,739	TOTAL	93,599,796	91,187,048	2,412,748	2,391,911
		-962,223	Appropriations			-40,283,242	0
		-2,235,014	CDF Contributions			-2,406,970	-2,385,991
		3,726	Surplus(Deficit) for the year			5,778	5,920
		2,856,222	Surplus(Deficit)beginning of year			1,897,724	1,897,724
			Unappropriated Surplus/Accumulated Deficit				
		1,897,724	at end of year			-38,379,740	1,903,644
		<u>1,897,724</u>	Total Surplus 30/06/2007			<u>-38,379,740</u>	<u>1,903,644</u>

APPENDIX F : STATISTICAL INFORMATION

GENERAL STATISTICS	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
Population	51099	51101	51101	51075	51075
Number of registered voters	20159	21149	21149	20596	20736
Area (km²)	1612.58	1612.58	1612.58	1612.58	1612.58
TOTAL VALUATIONS :					
Rateable (R million)	657	647	632	625	622
Non-rateable (R million)	62	59	59	59	59
Residential (R million)	410	400	394	386	386
Commercial (R million)	247	246	238	236	236
VALUATION DATE : 1 JANUARY 1998					
NUMBER OF STANDS :					
Residential	8277	8240	7712	7390	7330
Commercial	1143	1005	932	764	964
ASSESSMENT RATE :					
Basic (per Rand)	41.000	38.500	36.670	34.910	33.090
Rebate : Residential	20%	20%	20%	20%	20%
Additional rebate : Pensioners, etc.	30%	30%	30%	30%	30%
Number of employees	285	291	295	314	325
DEBRIS REMOVAL					
m Travelled	177016	107530	101380	124078	73862
Refuse removed (m3)	77737	131002	69379	71794	72587
Cost per m3 removed	R102.01	R52.09	R71.94	R58.08	R48.87
Income per m3 removed	R96.49	R53.94	R59.22	R56.90	R53.34
ELECTRICITY					
Units (kWh) purchased ('000)	89548	79727	85562	82910	79194
Purchase cost per kWh	12.91	12.46	11.56	12.44	12.92
Units (kWh) sold ('000)	80781	71415	73924	72265	69413
Units (kWh) lost in distribution ('000)	8676	8312	11638	10645	9780
Percentage loss in distribution	9.79	10.43	13.60	12.84	12.34
Cost per unit (kWh) sold	41.14	40.82	38.72	37.97	32.16
Income per unit (kWh) sold	41.27	28.45	27.73	27.33	27.69

